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TO AIT TAIPEI PRIORITY 0000
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE PRIORITY
AMEMBASSY ISLAMABAD PRIORITY

S E C R E T STATE 002997

E.O. 12958: DECL: 01/12/2034
TAGS: [PARM](#) [MTCRE](#) [PREL](#) [TW](#) [PK](#)

SUBJECT: TAIWAN COMPANY POSSIBLY SUPPLYING MACHINE TOOLS
TO WEAPONS-RELATED ENTITIES IN PAKISTAN(S)

REF: A. STATE 036646
[B](#). AIT TAIPEI 000607
[C](#). AIT TAIPEI 000622

Classified By: ISN/MTR DIRECTOR PAM DURHAM
REASONS 1.4 (B), (C) AND (D).

[1](#). This is an action request. AIT Taipei, please see paragraph 5.

[2](#). (S) Background: In April 2008, we alerted Taiwan authorities that the Taiwan firm Euma-Spinner Corporation was negotiating the sale of a machine tool controlled by the Wassenaar Arrangement and Nuclear Suppliers Group to a firm in Syria (Ref A). Because of our concerns about the proliferation risks inherent in supplying controlled machine tools to Syria, we urged Taiwan authorities to investigate this activity and take measures to stop this transfer from taking place. In May 2008, Taiwan representatives responded that they did not find evidence that Euma-Spinner had exported this machine tool to Syria, but noted that they planned to subject Euma-Spinner exports to greater scrutiny in the future (Refs B and C).

[3](#). (S) Since our May 2008 discussions of this case, we have learned that Euma-Spinner may be engaged in machine tool sales that appear to pose proliferation concerns. Specifically, we understand that in November 2008, the Turkish company Spinner Takim Tezgahlari Sanayi ve Ticaret Ltd. arranged the shipment of a five-axis machining center controlled by the Wassenaar Arrangement and Nuclear Suppliers Group to a Pakistani firm associated with the Pakistani Atomic Energy Commission. This machine was produced in Taiwan by Euma-Spinner Corporation and is suitable for producing precision components for missile or nuclear applications. Our information also indicates that Spinner Takim Tezgahlari Sanayi ve Ticaret shipped a similar machine in December 2007 to an entity linked to Pakistan's Missile Technology Control Regime (MTCR) Category I missile programs.

[4](#). (S) Because it is possible these machining centers were intended to support weapons-related programs in Pakistan, we want to request Taiwan authorities investigate this information and determine whether they have reviewed any licensing requests involving Euma-Spinner related to these exports. If such requests were received, we would like to know if there were any indications that the ultimate end-users for these machines were in Pakistan. We also want to use this case to press Taiwan to closely scrutinize all exports of controlled goods from Taiwan to ensure that third country intermediaries are not re-exporting Taiwan-origin technology to programs or end-users of proliferation concern.

[5](#). (S) Action Request: Request AIT Taipei approach appropriate officials to deliver talking points/non-paper in paragraph 6 below and report response. Talking points also may be provided as a non-paper.

[6](#). (S) Begin talking points/non-paper:

(SECRET REL TAIWAN)

-- As part of our extensive cooperation under the U.S.-Taiwan "Gameplan," we have raised with you on many occasions exports of computer numerically controlled (CNC) machine tools that pose potential proliferation concerns.

-- You will recall that in April 2008, we alerted you that the Taiwan firm Euma-Spinner Corporation was negotiating the sale of a machine tool controlled by the Wassenaar Arrangement and Nuclear Suppliers Group to a firm in Syria.

-- You responded in May 2008 that you did not find evidence of Euma-Spinner Corporation having exported this machine tool to Syria, but informed us that you planned to implement measures to subject Euma-Spinner Corporation to greater export control scrutiny.

-- We now would like to share with you additional information regarding sales of machine tools produced by Euma-Spinner that appear to pose proliferation concerns.

-- Specifically, we understand that in November 2008, the Turkish company Spinner Takim Tezgahlari Sanayi ve Ticaret Ltd. arranged the shipment of a model MC1020P CNC vertical machining center to a Pakistani firm known as Engineering and Commercial Services. This machine was produced in Taiwan by Euma-Spinner Corporation.

-- We believe this model MC1020P vertical machining center is configured to perform five-axis machining operations and is controlled by the Nuclear Suppliers Group and the Wassenaar Arrangement. This is a highly capable machine suitable for producing precision components for missile or nuclear applications.

-- Our information indicates that Engineering and Commercial Services is associated with the Pakistani Atomic Energy Commission.

-- In addition, Spinner Takim Tezgahlari Sanayi ve Ticaret shipped a similar machine in December 2007 to New Auto Engineering, a company associated with Pakistan's Project Management Organization (PMO). PMO is an entity involved in Pakistan's Missile Technology Control Regime (MTCR) Category I missile programs.

-- Because it is possible that these machines were being procured to support weapons-related programs in Pakistan, we ask that you investigate this information and determine whether you reviewed any licensing requests for Euma-Spinner to export these machines to Spinner Takim Tezgahlari Sanayi ve Ticaret in Turkey.

-- If you did receive such requests, we would appreciate learning if there were any indications that the ultimate end-users for these machines were in Pakistan, not Turkey.

-- We urge you to closely scrutinize all exports of controlled goods from Taiwan to ensure that third country intermediaries are not re-exporting Taiwan-origin technology to programs or end-users of proliferation concern and thereby undermining your export control efforts.

-- We look forward to continuing cooperation on export control and nonproliferation issues and would appreciate hearing the results of any actions you take in response to this information.

17. (U) Washington POC is ISN/MTR James Mayes (Phone: 202-647-3185). Please slug any reporting on this issue for ISN/MTR.

18. (U) A word version file of this document will be posted at www.state.sgov.gov/demarche.
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End Cable Text